

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND
RESOLUTION NO. 2011-28

WHEREAS, the Small Cities Community Development Block Grant (CDBG) Program is a federally sponsored program designed to assist units of general local government with activities directed toward neighborhood and housing revitalization, economic development, and to improve community facilities and services; and

WHEREAS, the Program, created by Congress as part of the Housing and Community Development Act of 1974, provides funds to non-entitlement areas or small cities; and

WHEREAS, the Maryland Department of Housing and Community Development has been designated as the funding agency; and

WHEREAS, Charles County is eligible to apply for funds from the Maryland CDBG program through the Maryland Department of Housing and Community Development; and

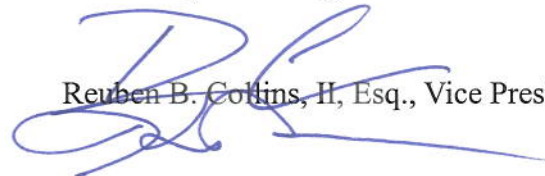
WHEREAS, the Charles County Commissioners held the required public hearing related to the formation of the Charles County Government's Community Development Block Grant application which is available to Charles County for the down payment financial assistance project of up to \$600,000.

NOW, THEREFORE, WE, THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND, on this 17th day of May 2011, do hereby offer our support for this Program.

COUNTY COMMISSIONERS OF
CHARLES COUNTY, MARYLAND



Candice Quinn Kelly, President

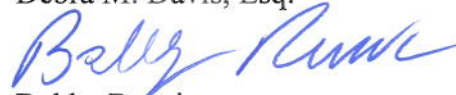


Reuben B. Collins, II, Esq., Vice President

Ken Robinson



Debra M. Davis, Esq.



Bobby Rucci

WITNESS/ATTEST:



Denise Ferguson, Clerk

MARYLAND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION SFY 12	
1. Name of Jurisdiction: County Commissioners of Charles County, Maryland	2. County (Municipal applicants only): NA
3. Address: P.O. Box 2150 200 Baltimore Street La Plata, MD 20646	4. Subrecipient, Developer or Business, if applicable and their DUNS Number: NA
5. FID Number: 52-6000925 DUNS Number: 080570500 CCR Number: CAGE/NCAGE: 3MPT5	6. Name & phone number of jurisdiction's contact person for this application (include email address and Fax #): Ms. Eileen B. Minnick, Director Charles County Dept. of Community Services Phone Number: 301-934-9305, Ext. 5135 Fax Number: 301-934-0139 Email Address: MinnickE@charlescounty.org
7. Project title, brief description & location (Full street address(es) and zip code of Project is required): Project Title: Charles County CDBG Neighborhood Conservation Initiative Down Payment Assistance: Description and Location: Charles County proposes to use CDBG grant funds for up to \$39,999 per housing unit to provide down payment financial assistance for eligible low and moderate income home buyers to purchase foreclosed and vacant homes within the project's target area, Waldorf Post Office Zip Code 20602. The target area is identified by the Maryland Department of Housing and Community Development (DHCD) as an area of greatest need due to foreclosures and sub-prime lending in the community; and as a "Very High Foreclosure Hot Spot".	
8. Project type: <input checked="" type="checkbox"/> Housing <input type="checkbox"/> Public Facilities <input type="checkbox"/> Infrastructure <input type="checkbox"/> Economic Development <input type="checkbox"/> Other <input type="checkbox"/> Public Services	9. National objective(s): <input checked="" type="checkbox"/> Low and moderate income benefit <input type="checkbox"/> Elimination of slum/blight
10. CDBG request: \$ <u>600,000</u> Local funds \$ <u>90,000</u> Other funds \$ <u>600,000</u> Total costs \$ <u>1,290,000</u>	11. U.S. Congressional District No. <u>5</u> State District No. <u>28</u> (List State legislators for <i>entire</i> district): Senator Thomas Mc Lain Middleton Delegate Sally Y. Jameson Delegate Peter F. Murphy Delegate C. T. Wilson
12. Date Public Hearing held: May 17, 2011 (Attach minutes and hearing notice to application)	13. Required Resolution attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. Is Citizens Participation Plan current? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If not, did you attach new plan? <input type="checkbox"/> Yes <input type="checkbox"/> No	
15. Is Anti-Displacement Plan current? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If not, did you attach new plan? <input type="checkbox"/> Yes <input type="checkbox"/> No	
16. If applicable, did you complete Debarment Check on application subrecipient, developer or business? <input type="checkbox"/> Yes <input type="checkbox"/> No NA	
17. Digital Photos and CD included? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (each must be labeled)	18. Date: May19, 2011

PART A

PROJECT DESCRIPTION: Describe the proposed project. Include location and specific activities to be undertaken.

Charles County proposes to use CDBG grant funds for up to \$39,999 per housing unit to provide down payment financial assistance for eligible low and moderate income home buyers to purchase foreclosed homes within the project's target area, Waldorf Post Office Zip Code 20602. The target area is identified by the Maryland Department of Housing and Community Development (DHCD) as an area of greatest need due to foreclosures and sub-prime lending in the community; and as a "Very High Foreclosure Hot Spot".

The CDBG program will provide down payment financial assistance to qualifying home buyers up to \$39,999 per home buyer at 50% of the area median income (AMI) and up to \$14,999 per home buyer at 80% AMI.

Buyer's eligibility will include the following:

1. Must be a U.S. citizen or permanent resident alien.
2. Must qualify for a fixed rate mortgage for a minimum of 30 years with a participating lender.
3. Must complete a minimum of eight hours of housing counseling from a HUD approved housing counselor before obtaining a mortgage loan.
4. Must meet income eligibility, based on total household income, adjusted for household size, using IRS Form 1040 definition of annual income.

Property Criteria will include the following:

1. Existing dwelling must be foreclosed and vacant. New construction is excluded.
2. Residential units must be located within the Waldorf US Post Office Zip Code 20602 target community.
3. Eligible dwelling types: single family detached, semi-detached, townhouse, or condominium apartment.

Down Payment Assistance Loan Terms will include the following:

1. Down Payment Assistance loan amounts:
 - a. Home buyer below/at 50% AMI - Option of a \$14,999 loan with a five year minimum length affordability period, or option of a \$39,999 loan with a ten year minimum length affordability period.
 - b. Home buyer above 50% but below/at 80% AMI - Option of a \$14,999 loan with a five year minimum length affordability period.
2. Purchase property must be home buyer's primary residence.
3. During the five or ten year affordability period, the down payment loan principal with 0% interest is repayable to the Charles County Department of Community Services Housing Authority upon earlier to occur of sale, transfer, refinance, default on primary loan, or discontinuance of borrower occupancy.
4. Eligible home buyer must purchase the property at a discount equal to at least 1% less than the current appraised fair market value of such foreclosed/vacant property, based on an appraisal acceptable to the State, which is dated within sixty days of an offer made for such property.

Home Buyers will be encouraged to use the Maryland Mortgage Program financing. Charles County plans to offer assistance to qualified buyers through the County's Settlement Expense Loan program (SELP) for up to \$6,000 per unit in settlement expense assistance. Charles County also plans to offer down payment and settlement expense assistance to home buyers under the County's Housing Choice Voucher (Section 8) Home Ownership Program.

PART B

PROJECT NEED/IMPACT: Describe the need for the proposed project. Include statistics and other documentation supporting the described need. How will the project make an impact on the described need?

According to "Property Foreclosure in Maryland: First Quarter 2011" report by Maryland Department of Housing and Community Development, the State's national ranking in foreclosure rate declined from 37th highest in the previous quarter to 35th highest in the current quarter. The decline in Maryland foreclosure filing during the past two quarters can be attributed in large part to lenders continuing to adjust to new procedures set forth in the new foreclosure mediation law that went into effect on July 1, 2010 requiring financial institutions/lenders to provide additional information/forms to home owners when filing notices. However, a comparison of filing trends over the past two quarters shows that as lenders become more acquainted with the new filing procedures, the number of foreclosure filings will likely raise again in the coming months.

During the First Quarter 2011 in Charles County, there were the following:

- 151 property foreclosure events, a ranking of eighth highest in the State.
- 33 notices of mortgage loan defaults, a ranking of eighth highest in the State.
- 47 notices of foreclosure sales, representing the sixth highest recipient sales notices in Maryland.
- 71 lender purchases of foreclosed properties (REO), representing the seventh highest in the State.

A foreclosure "Hot Spot" is defined as a community that had more than ten foreclosure events in the current quarter and recorded foreclosure concentration ratio of greater than 100. The concentration ratio, in turn, is measured by a foreclosure index. The index measures the extent to which a community's foreclosure rate exceeds or falls short of the State average foreclosure rate. The "Hot Spots" communities are further grouped into three broad categories: "high" (foreclosure indices 100-200), "very high" (foreclosure indices 200-300), and "severe" (foreclosure indices exceeding 300). During the first quarter 2011, Charles County's Waldorf Postal Office Zip Code 20602 community was identified by Maryland Department of Housing and Community Development as a "Very High Foreclosure Hot Spot", having a 152 Average Foreclosure Rate and a 205 Average Foreclosure Index, the third highest Rate and Index in the State. Charles County is only preceded in placement by Prince George's County (ranked #1) and Baltimore City (ranked #2).

In addition, Charles County has three other Postal Office Zip Code communities identified as "High Foreclosure Hot Spots": Waldorf 20601, Indian Head 20640, and Waldorf 20603.

The County's CDBG application project's target area community is the Waldorf Post Office Zip Code 20602, which is identified as a "Very High Foreclosure Hot Spot". This area has also been identified by HUD Neighborhood Stabilization Program and DHCD Neighborhood Conservation Initiative NSP3 as the area of greatest need in Charles County due to foreclosure and sub-prime lending in the community. The subject Waldorf Post Office Zip Code 20602 includes two US Census Tracts (9350850902 and 9350850906) with a HUD NSP3 Need Score of 15, which represents the neediest foreclosure indicator within Charles County.

The County estimates that with the requested \$600,000 in CDBG grant funds, the County will be able to provide down payment financial assistance to 34 low and moderate income (LMI) households, and plans to use 25% of the CDBG grant funds to assist households with income at or below 50% area median income (AMI).

PART F

SOURCES AND USES OF FUNDS: List each specific project activity separately (please break down the costs as far as possible). Type in the actual sources of other funding. Indicate whether funds are "L" for loan or "G" for grant. INDICATE STATUS OF FUNDS using "P" for pending, "C" for committed, "R" for received, "N" for no action. Attach commitment letters and cost estimates directly behind this page of the application. For administrative costs, indicate what portion of local contribution is cash and what portion is in-kind. ALL PROJECTS MUST SHOW ADMINISTRATIVE COST LINE ITEM, regardless of the source of funds.

ACTIVITY	SOURCES OF FUNDS					TOTALS BY ACTIVITY	STATUS
	CDBG:	LOCAL	SELLER:	OTHER:	OTHER:		
Down Payment Assistance	585,000					585,000	P
Settlement Assistance (SELP)		60,000				60,000	C
Sellers' Discount			600,000			600,000	P
Project Admin. (Cash)	15,000					15,000	P
Project Admin. (In-Kind)		25,000				25,000	C
General Admin. (Cash)							
General Admin. (In-Kind)		5,000				5,000	C
TOTALS BY SOURCES OF FUNDS	\$600,000	\$90,000	\$600,000	\$	\$	\$1,290,000	

STATEMENT OF ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies that it:

1. has adopted and maintains a written Citizen Participation Plan in accordance with the citizen participation requirements for the Community Development Block Grant (CDBG) Program at the Code of Federal Regulations 24 Part 570.486; and
2. held a public hearing and provided appropriate notice to ensure participation of citizens in the development the project and of this application for CDBG funding; and
3. assures that all reasonable steps have been taken to minimize the displacement of persons as a result of CDBG assisted activities identified in this application; and
4. in the event that our project does trigger displacement of persons, we will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49CFR Part 24 and it has in effect and is following a Residential Anti-Displacement and Relocation Assistance Plan required under Section 104(d) of the Housing and Community Development Act of 1974, 42 U.S.C. § 5304(d), as amended, in connection with any activity assisted with funding under the CDBG Program; and
5. will not attempt to recover any capital costs of public improvements assisted with CDBG funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than with CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds if the State certifies that it lacks CDBG funds to cover the assessment; and
6. will conduct and administer grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations and agrees to take action to affirmatively further fair housing; and
7. has adopted and is enforcing:
 - a) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

- b) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
8. will certify, to the best of the certifying official's knowledge and belief, that:
- a) no Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - b) if any funds other than Federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form- LLL, Disclosure Form to Report lobbying in accordance with its instructions; and
 - c) it will require that the language of paragraphs (a) and (b) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
9. will adhere to federal and state Code of Conduct standards relative to conflict of interest restrictions and financial disclosure requirements for local elected officials and candidates; and
10. will prevent fraud, waste and abuse of federal funds and ensure that funds are expended on activities that are reasonable and necessary; and
11. will comply with the provisions of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5301 et seq., as amended, Title 24 CFR Part 570, and with other applicable State and Federal laws if awarded this grant.

I declare that I am duly authorized to make these certifications on behalf of the applicant and certify that the above actions have or will be taken.

Candice Quinn Kelly, President
County Commissioners of
Charles County, Maryland ✓

Typed Name and Title
Chief Elected Official


Signature


Date